



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Second District

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Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

June 30, 2008

To: Supervisor Yvonne B. Burke, Chair
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

OUTSTANDING DEBT SURVEY

On May 6, 2008, Supervisor Yaroslavsky requested this Office to review all contracts with public agencies, particularly the City of Los Angeles (City), to determine if there is any outstanding debt owed to the County, or if the County has any outstanding debt owed to other public agencies. In response, we issued a memorandum to departments dated May 20, 2008, and requested that departments provide this Office with the following information:

- The outstanding debt owed to the department by any public agency, including the amount owed to the department, the name of the public agency, agreement or contract name, type of service, and their current efforts to collect the debt.
- The outstanding debt owed by the department to any public agency, including the amount owed by the department, the name of the public agency, agreement or contract name, type of service, and their efforts to settle the debt.

Outstanding Debt Survey Results

As indicated on the attached Outstanding Debt Survey Results Chart, all departments were responsive to the survey. Based upon the survey results, the vast majority of departments do not owe debt to public agencies. Of the 40 departments responding to the survey, only two departments reported that they owed debt to public agencies. In both of these situations, the respective departments are working with their debtors to resolve the outstanding obligations, and the combined amount of debt owed by these departments was only \$326,472. These appear to be isolated incidents that do not reflect either department's usual method of conducting business. We will monitor both situations to ensure the departments resolve their debt in a timely manner.

"To Enrich Lives Through Effective And Caring Service"

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Conversely, the survey results indicated that 11 departments are owed a total of \$29,297,397 by public agencies. This amount includes the debt owed by the City to three departments for the Community Law Enforcement and Recovery (CLEAR) program. As noted in our May 2, 2008 memorandum to your Board regarding the CLEAR program, we have implemented specific procedures to avoid entering into any CLEAR agreements with the City regarding new CLEAR sites until the current CLEAR sites are fully reimbursed for all outstanding costs and all funding issues between the County and the City have been resolved, effective Fiscal Year 2008-09. In addition to the CLEAR program, the City also owes this Office for multiple rental agreements at various County courthouses. We have sent delinquent notices to the City regarding this matter and we expect to receive full payment.

The results of the survey also disclosed that just over half the debt owed to the County is owed directly to the Department of Public Health (DPH) by the State for services such as Children's Outreach Enrollment, Utilization, and Retention Services, Health Facilities Licensing and Certification Services, Childhood Lead Poison Prevention Services, and Viral Load Testing Services. The majority of this debt is 90 days delinquent and there is a possibility the State will not reimburse the Department for these services. DPH has increased their efforts to collect the outstanding amounts owed by the State and this Office will provide assistance, as needed, to resolve this matter.

Should you have questions regarding this memorandum, please let me know or have your staff contact Vincent Amerson at (213) 974-1168 or vamerson@ceo.lacounty.gov.

WTF:ES
MKZ:VLA:cg

Attachment

c: All Department Heads

OUTSTANDING DEBT SURVEY RESULTS

DEPARTMENT	TOTAL DEBT OWED BY DEPT	TOTAL DEBT OWED TO DEPT
Agric Com/Weights & Measures	N/A	N/A
Alternate Public Defender	N/A	N/A
Animal Care and Control	N/A	\$101,275
Assessor	N/A	\$94
Auditor-Controller	N/A	N/A
Beaches and Harbors	N/A	N/A
Chief Executive Office	N/A	\$395,716
Children and Family Services	N/A	N/A
Child Support Services	N/A	N/A
CIO	N/A	N/A
Community and Senior Services	\$176,216	\$1,825,570
Community Development Commission	\$150,256	\$33,810
Consumer Affairs	N/A	N/A
Coroner	N/A	N/A
County Counsel	N/A	N/A
District Attorney	N/A	\$2,126,951
Executive Office - BOS	N/A	N/A
Fire	N/A	N/A
Health Services	N/A	N/A
Human Relations Commission	N/A	N/A
Human Resources	N/A	N/A
Internal Services	N/A	\$68,540
Mental Health	N/A	N/A
Military & Veteran's Affairs	N/A	N/A
Museum of Art	N/A	N/A
Natural History Museum	N/A	N/A
Office of Affirmative Action Compliance	N/A	N/A
Ombudsman	N/A	N/A
Parks	N/A	N/A
Probation	N/A	\$2,409,759
Public Defender	N/A	N/A
Public Health	N/A	\$15,954,512
Public Library	N/A	N/A
Public Safety	N/A	N/A
Public Social Services	N/A	N/A
Public Works	N/A	\$2,524,997
Regional Planning	N/A	N/A
Registrar-Recorder/County Clerk	N/A	\$3,533,621
Sheriff	N/A	\$322,552
Treasurer and Tax Collector	N/A	N/A
TOTALS	\$326,472	\$29,297,397

RECEIVED

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CEO
PUBLIC INFORMATION